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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000219

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SUBJECT: NATIONAL ASSEMBLY HANDS CHAVEZ BROAD LEGISLATIVE
POWERS

REF: A. CARACAS 000139
[1](#)B. CARACAS 000109

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Classified By: POLITICAL COUNSELOR ROBERT DOWNES,
REASONS 1.4 (B) AND (D)

[1](#)1. (C) Summary. The National Assembly (NA) gave final approval January 31 to an omnibus Enabling Law that provides President Chavez with broad authority to issue executive decrees over the next 18 months in eleven areas, including energy. President Chavez is expected to promulgate the measure within a few days; executive decrees issued under the measure will have the full force of law and be subject only to the requirement of being published in the national gazette to be effective. Chavez refers to the Enabling Law as the "first motor" of his "socialist" revolution. According to pro-Chavez legislators, the Venezuelan President will use this legislative authority to usher in significant changes to Venezuela's economic, financial, educational, health and police systems. Opposition leaders are sharply criticizing the Enabling Law as a "blank check," but with no votes in the legislature and few independent judges remaining in the judiciary, the opposition is essentially powerless to stop the Venezuelan President's concentration of even more authority in his hands. End Summary.

National Assembly Approves Enabling Law

[1](#)2. (U) The National Assembly unanimously passed an Enabling Law in an extraordinary January 31 session that gives President Chavez legal authority to issue executive decrees in eleven substantive areas over the next 18 months. These decrees will have the full force of law, and not be subject to any NA action or review. To symbolize the BRV's intention to convey "power to the people," the Assembly passed the measure outside the National Assembly building under canvas canopies placed in nearby Bolivar Square. National Assembly President Cilia Flores invited selected, red-shirted "people's" representatives to speak in favor of as well as to sign the law, along with the pro-Chavez legislators.

[1](#)3. (SBU) Under normal procedures bills, including the enabling law, must be read and approved two times by the National Assembly before being forwarded to the executive branch for approval. The executive branch can promulgate the bill as law in the national gazette (Federal Register-equivalent) or send it back to the National Assembly

for modifications. President Chavez is expected to publish and make official the Enabling Law within the next few days. The National Assembly made only a few modifications to the first draft of the Enabling Law that it approved on January 18, but "delayed" its final approval until January 31 to allow for more time to "consult" with the "people."

¶4. (SBU) The legislature added energy to the 10 broad areas in which Chavez will have the authority to issue decree-laws.

Specifically, the National Assembly provided the executive branch with broad authority to make changes to:

- the administration of energy resources;
- tax collection;
- government sanctions;
- security measures;
- the distribution and transportation system of hydrocarbons; and,
- the investment of oil and gas revenues.

The new Enabling Law also gives the executive branch the authority to dictate new norms to take direct or indirect control of projects in the oil-producing Faja region, including the up-graders, through mixed or state-owned companies. Similarly, the executive branch can now issue wide-ranging decrees affecting the electricity sector.

National Assembly Sidelines Itself

¶5. (C) With broad powers to legislate now in Chavez' hands, it is not clear what the National Assembly will occupy itself with. MVR Deputy and Foreign Relations Committee Chairman Saul Ortega told PolCouns January 31 that the National Assembly would still have work to do on some 40 pending bills. He specifically mentioned that he expected the National Assembly would pass the controversial International Cooperation Law that would give the BRV broad authority to

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regulate and restrict international support for Venezuelan NGO's.

¶6. (C) Asked recently by the local media prior to the final passage of the Enabling Law as to what types of executive decrees she expected President Chavez to issue, National Assembly President Cilia Flores said that would depend entirely on the executive branch. Although MVR Deputy Calixto Ortega told PolCouns January 25 that he was still unsure whether Chavez would issue an executive decree on police reform or whether the National Assembly would continue to work on passage of his draft National Police Reform law, MVR Deputy Saul Ortega subsequently indicated the police would be dealt with by a decree-law (septel). MVR Deputy Francisco Torrealba told poloff January 23 that the BRV would prioritize changing the education system via executive decree, as well as institute significant changes in the financial system and the health sector.

¶7. (U) National Assembly member Carlos Escarra, a member of Chavez' constitutional change commission (the third motor of Chavez' "socialist" revolution), told the crowd in Bolivar Square January 31 that the executive branch would issue executive decrees in two stages. He expected the first batch of unspecified decrees to be issued over the next six months starting in March to be based on the 1999 Constitution. He said a second batch would be issued after changes are made to the Venezuelan constitution. Vice President Jorge Rodriguez told the National Assembly and "people's representatives" that the goal of the decrees is to install a "dictatorship of democracy forever."

Opposition Critical But Powerless

¶8. (SBU) Zulia Governor and former consensus opposition

presidential candidate Manuel Rosales sharply criticized the Enabling Law January 29 in comments to the media. He accused the National Assembly members of abdicating their responsibilities and collecting salaries without having anything to do. Other opposition leaders have denounced the National Assembly for giving President Chavez a "blank check." Teodoro Petkoff ran a front-page January 31 editorial in "Tal Cual" entitled "Heil Hugo."

¶9. (SBU) William Ledesma of the tiny Alianza Bravo Pueblo party and opposition legal expert Hernan Escarra (brother of NA Assembly Deputy Carlos Escarra) told the media and PolCouns that they would challenge the constitutionality of this Enabling Law in the judicial system. A group of former opposition parliamentarians (Democratic Parliamentarians Forum) filed papers at the Constitutional Court of the Supreme Tribunal January 31 asserting that the Enabling Law should be declared unconstitutional. No one in the opposition expects the Chavez-dominated courts to overturn the measure.

¶10. (C) The opposition boycotted the December 2005 parliamentary elections and has no representation in the 167-member unicameral parliament. Opposition criticism through the media appears to have had little impact on discussion of the measure. At most, it may have helped persuade the BRV to postpone passage of the measure by one week and to incorporate the "popular consultation" with pro-Chavez activists to try to generate greater legitimacy for the Enabling Law. A January 23 opposition march in Caracas to protest against Chavez' growing authoritarianism attracted about two hundred persons, according to opposition Baruta Mayor Henrique Capriles Radonski.

Comment

¶11. (C) With a National Assembly composed of only pro-Chavez legislators, Chavez has not faced any meaningful opposition in parliament since the opposition boycotted the 2005 December parliamentary elections. Chavez' assumption of legislative powers across a wide spectrum of potential areas represents the BRV's abandonment of even any pretense of domestic separation of powers or tolerance of even the bare minimum of discussion and debate. The only real domestic brakes right now to Chavez imposing his radical "socialist" plan of government are the limits of the BRV's capacity to enact so many sweeping changes, so fast. We expect the BRV's

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timelines to promulgate executive decrees, make significant changes to the constitution, as well as empower people's councils, restructure local governments, and promote socialism via "popular education" to slip. We do not expect, however, that Chavez will change or moderate the radical direction of his government, or that the opposition will be any position to make him do so.

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